

EXHIBIT

9

DATE

Feb. 4, 2013

HB

15

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LINCOLN

Elementary



210 South Lake,
Miles City, Montana

(406) 234-1697

Long Range Planning Sub Committee for HB15:

On behalf of the Unified School District of Miles City, as well as our local school board I appreciate this opportunity, and thank you for being able to meet with you today. My name is John Gorton and I am the principal of Lincoln Elementary school which currently is in a critical state thereby prompting today's attendance. The Unified School District has been a recipient of the Quick Start Grant and the Quality Schools Grant programs in the past, resulting in substantial retrofits and energy saving projects associated with old and dated infrastructures. We are truly grateful for these programs. Without which, we would have needed to rely heavily on local taxpayers for such improvements.

While half of the district's buildings have been utilized for nearly a century, the infrastructure issues associated with an aging building and mechanical systems have reached their useful life. As we prepare for the next 50 years, grant programs as this will continue to provide a tremendous benefit not only to my district but many across the state. During the past 7 years, with the assistance of the Quality Schools Grant program, five of six school buildings in the District have directly benefited. My school, Lincoln Elementary, remains in critical need. Of all our schools, this building requires the most upgrading due to the age of the infrastructure. The District's Building Committee elected to update the other facilities in the District prior to addressing the needs at Lincoln simply due to the size of the overall project which has now reached a critical state.

This past fall, during the recent grant cycle, we submitted another Quality Schools Grant application. Regrettably we were not awarded funds on this cycle. As you can imagine, my district strongly supports the current grant program, however we are respectfully asking you to consider expanding your amount to help us with a crisis situation in our School District as a new development has occurred since the submission of our application.

On the morning of Monday, November 11th of this year school year, we needed to shut down the boiler due to a mechanical malfunction while conducting school activities without any heat. The high that day was 1° with a wind chill of -16°. I observed student and staff working in less than ideal educational settings. Students were shivering while wearing traditional outdoor winter attire: coats, hats, gloves, snow pants, and even snow boots trying to keep warm while staff attempted to carry on with instructing their classes. This coupled with difficulty getting replacement parts for the boiler, the superintendent and I elected to cancel school on Tuesday, November 12th, where the high for that day reached -2° while the wind chill remained at -16°. After many hours we were back on line by Tuesday evening. On Wednesday November 13th we opened school at the traditional time. The failure required the boiler to be disassembled to survey the extent of the problem. Upon inspection, it was determined that 10 of the 14 burner tube assemblies had failed, and needed to be rebuilt as replacement parts were no longer available. In addition, we discovered a broken condensate return line under the schools foundation which causes fresh water to be introduced daily into the steam system; creating harsh conditions to the boiler itself. In the boiler room, faulty steam traps, located on the end of the steam lines, causes moisture to form and short out the buildings fire alarm system as well as freezing an exit door to this room shut.

In addition, another steam trap has failed in the entrance hallway to the school, which has caused the venting steam to remove lead based paint on the wall and expose this environment to the children. In this same location, a pull station for the fire alarm system needs to be covered to prevent it from shorting out due to steam leaks, which is a safety violation.

In the recent grant we applied for assistance to address the needs of Lincoln School. We were seeking funds to fix multiple safety issues; replace a boiler; improve the existing ventilation system; replace piping needed for heating; and upgraded temperature controls all in anticipation of community growth due to the energy development activities in Eastern Montana. During previous grant cycles, the school district had received numerous commendations from the Quality Schools Grant Committee regarding efficient use of funds and stating that we were using the dollars exactly as intended. With that said, we modeled this most recent application after our previously successful grants with the understanding that we were accurately and effectively administering these projects.

The purpose of this support and letter is to let the committee know that my school, Lincoln Elementary, is currently in a crisis situation and will not get through another heating season without a new boiler, fixing the stream traps, and repairing a recently discovered broken pipe. The district's Building Committee has modified the original proposal into smaller more conservative phases. Also because of timing, we can no longer convert to a more efficient hot water system as originally proposed. Rather, we will continue with a steam heating system, fix the issues as noted above and hope that the support piping will get us by until we can replace the piping infrastructure in its entirety.

On behalf of the Unified School District and the students of our community, I am respectfully asking for your continued support in assisting us with this situation. We would prefer not to utilize general fund dollars resulting in fewer monies available for curricular and instructional needs; minor repair and maintenance throughout the district; salaries; and dealing with increased costs of utilities.

I thank you for allowing this opportunity to meet, for your consideration of our need, and your continued support of this state's education system.

Respectfully,

John Gorton, Principal
Lincoln Elementary School
Miles City, MT 59301
406-234-1697
jgorton@milescity.k12.mt.us

Keith Campbell, Superintendent
Unified School District #1
Miles City, MT 59301
406-234-3840
kcampbell@milescity.k12.mt.us

Phase I (See Attached Quotes)

- Boiler
 - Removal and Replacement
 - Steam Traps
 - Alerton Control & Monitoring Syst.
 - Engineering Fee & Permits
 - Asbestos Abatement
- | | |
|---------------|---------------------|
| | \$137,660.00 |
| | <u>\$12,190.00</u> |
| Total Phase I | <u>\$149,850.00</u> |

Phase II

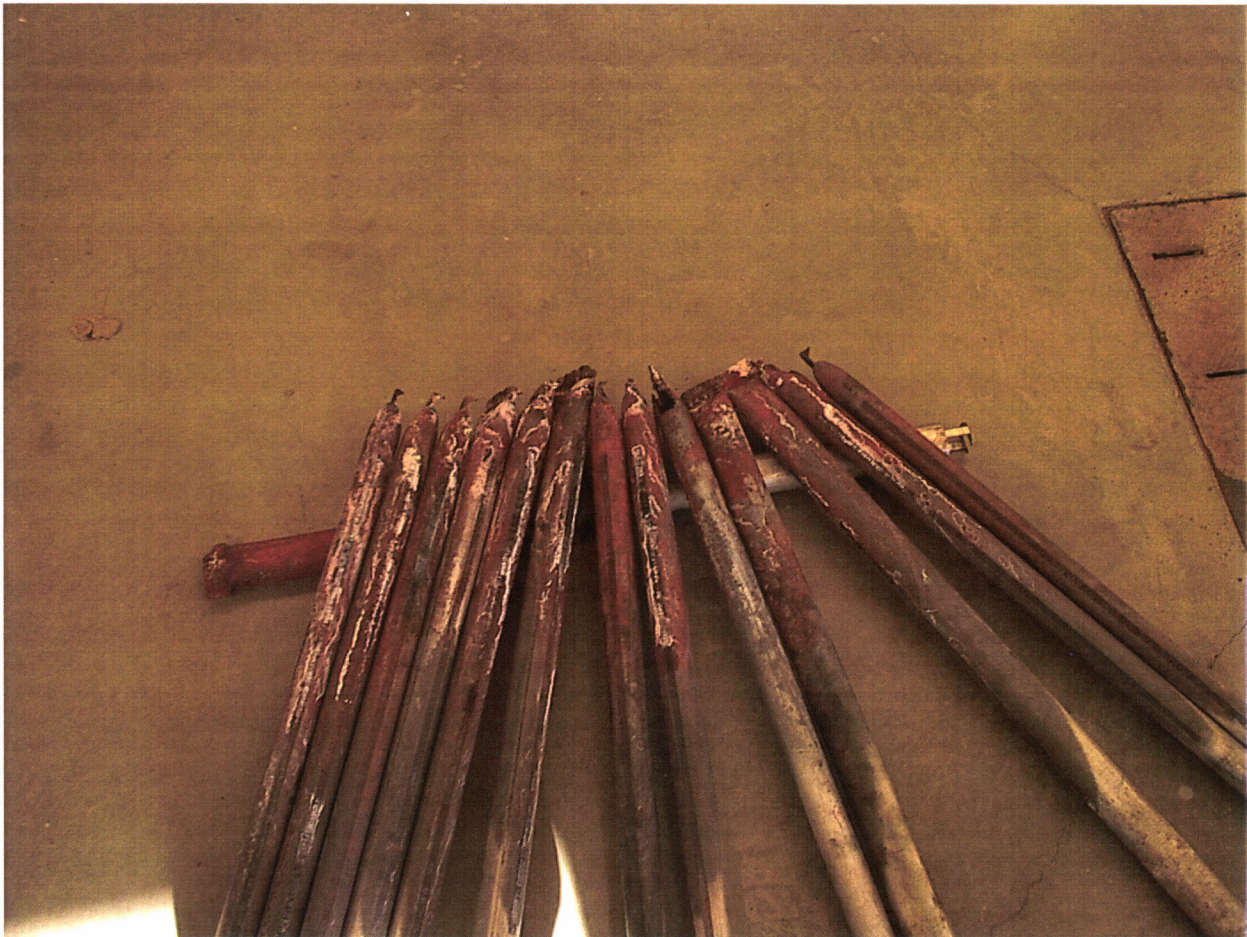
- Steam Valves
- Thermostats
- Ventilation
- Steam Main Replacement

Phase III (Reclamation of Basement)

- Plumbing (sewer)
- Lights/Ceiling tiles
- Carpet/Tile
- Mold & Mildew
- Minor Construction
- Labor/Installation

Continued Building Needs (Prioritized)

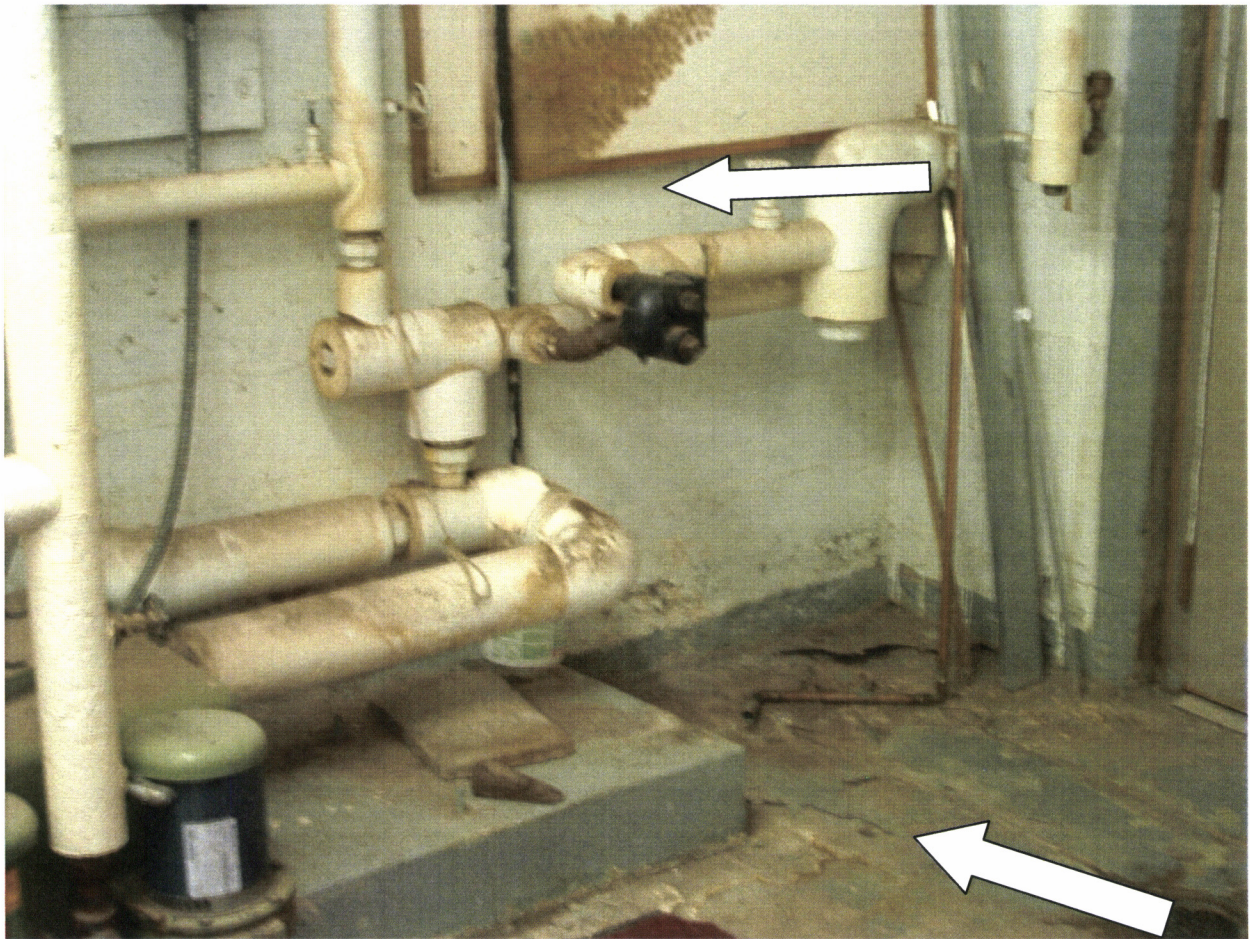
- Roof
- Electrical Upgrade
- Security
- Exterior Doors



Burner tubes that caused the boiler failure in November 2012. Note the conditions of each tube lengthwise.



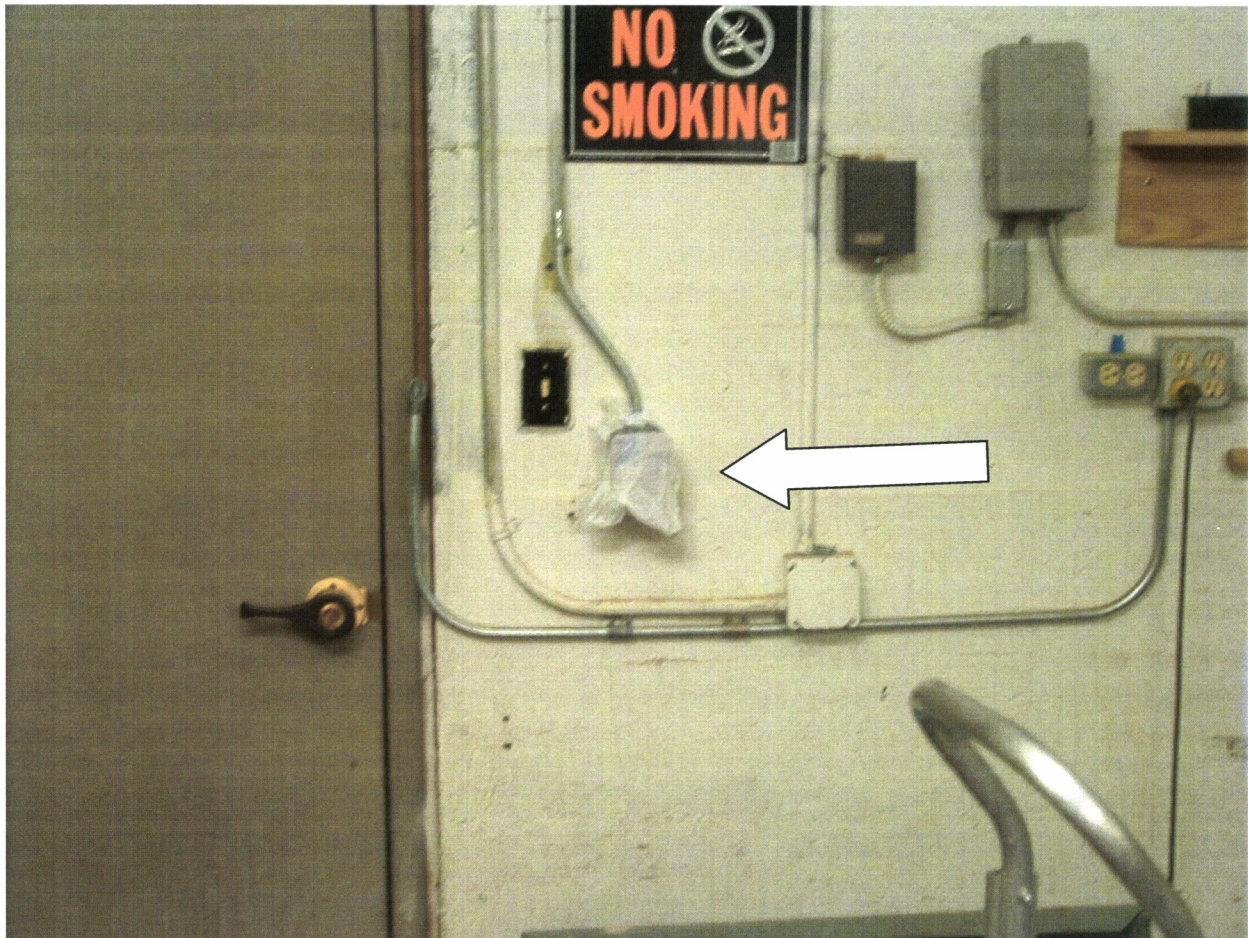
Burner tubes rusty conditions, due to leaking in the center sections of boiler. These rusty holes caused boiler flames to blow outside of boiler structure creating a soot condition of sections forcing a shutdown of system.



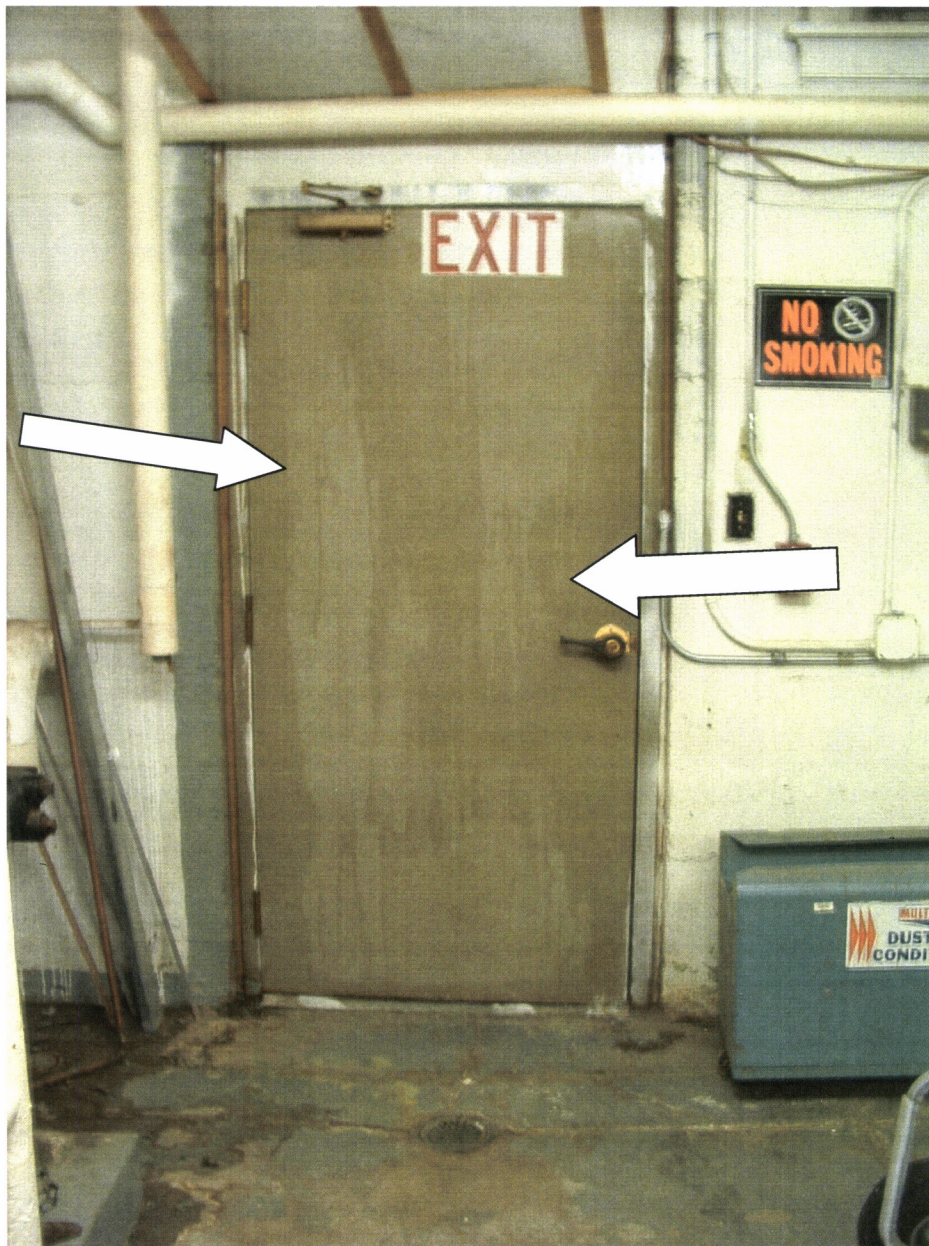
Damage due to faulty steam trap and broken lines buried in foundation. Note damage to floor and wall. Image is from the Boiler Room.



Makeshift collection bucket for faulty steam trap and broken lines. Image is from the Boiler Room.

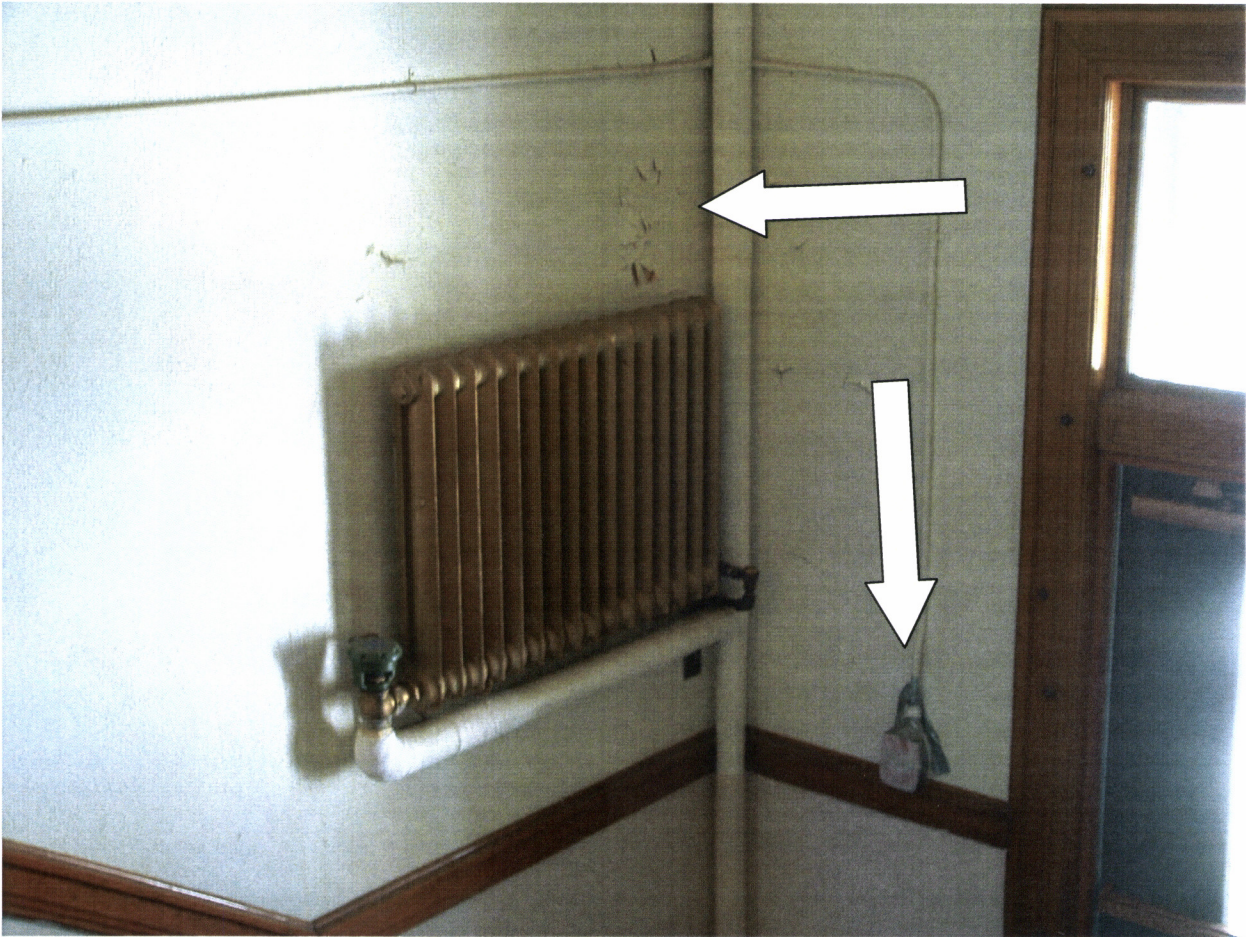


Fire Alarm Pull Station, covered with a plastic bag, which shorts the system when steam billows out. Image is from the Boiler Room.



Door to Boiler Room frozen shut due to steam rolling out to the left of door. When door is frozen this is not a viable fire exit.

Photo taken on 2/8/11



Heat register located at an entrance to the building. Steam billows out the backside of unit compromising the paint and air quality. Note the flaking paint above the unit and the Fire Alarm Pull Station covered with a plastic bag due to steam shorting the system.



Air Shaft in the basement leading to top floor where heating pipes could go if needed.



Another view of airshaft looking straight up. This shaft provides no mechanical benefit to the building.



Open classroom windows for rooms 209 and 309. Windows are open due to faulty thermostats to regulate heat in classrooms.

Outside temperatures: Low -18°
High 7°

Photo taken 2/8/11



Open classroom windows for room 311.
Thermostats are currently beyond repair to
regulate classroom heat.

Outside temperatures: Low -18°
High 7°

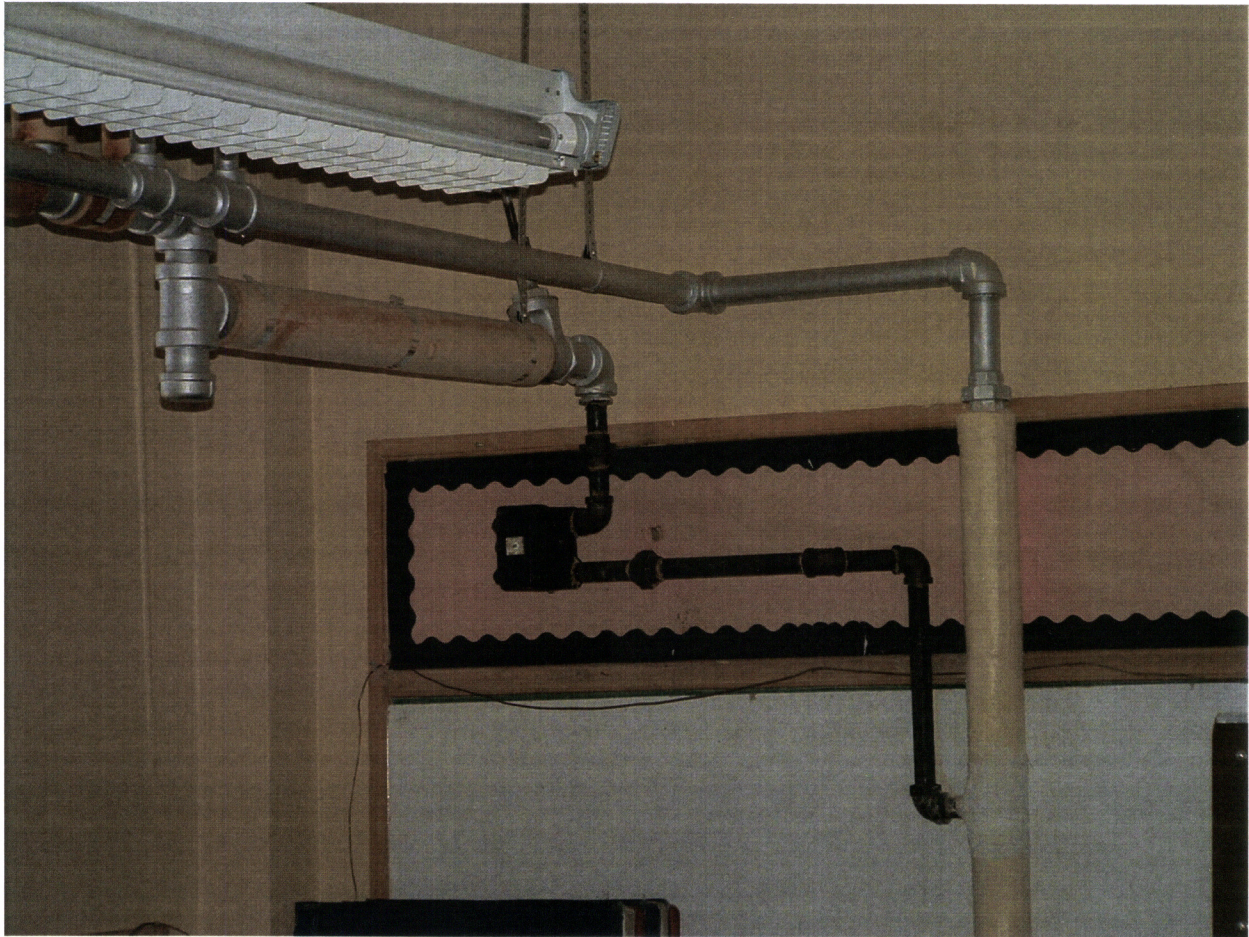
Photo taken 2/8/11



Heating Unit in lower level classrooms (room 102). Room is currently vacant and requires additional improvements before utilizing space in the future. Note the lights and pipes fully exposed.



Another Heating Unit in lower level classroom (room 113). Similar to room 102 is currently vacant and requiring additional improvements. Note the lights, heating and plumbing pipes fully exposed.



More exposed pipes, steam trap and lights in room 113 located in the lower level of building. Note the placement of the white board directly behind pipes.

Phase I

Quotes & Estimates

REGAN

Plumbing Heating

Est.  1911

2218 Valley Dr E. - P.O. Box 1164 Miles City, MT 59301-1164 Phone (406) 232-3788 Fax (406) 232-1624

PROPOSAL

Board of Education
1604 Main Street
Miles City, MT 59301

406-234-3480 2/1/13
Lincoln School Boiler & Steam Trap
Replacement

Attn: Mr. Keith Campbell, Superintendent

Architect: N/A

Date of Plans: N/A

Job Phone: 234-3480

We hereby submit specifications and estimates for:

Disconnecting & removing old leaking Boiler.

We will supply and install new Weil-McLain sectional Cast Iron Steam Boiler with CSD-1 Compliance. In all likely-hood, a new base will have to be poured for the new Boiler because of excessive temperatures incurred on old base when burners rotted out. Concrete Work is included in our proposal.

We will replace all the Steam Traps on all Radiators, and the End of the Steam Mains.

Steam is being lost on Condensate Return Line and Venting off at Condensate Receivers, causing a situation of Fresh Water being introduced to the System, through the Automatic Feed Water.

This causes a harsh condition on a Cast Iron Boiler, due to the Oxygen introduced by the Fresh Water.

We will provide and install Alerton Controls and Monitoring System to match Control System in High School and other Elementary Schools in School District #1.

This will consist of Panel-Mounted DDC Controls for the Boiler Room: Boiler Enable; Combustion Air Damper Control; Steam Pressure; Three (3) Condensate Temp Sensors; Boiler-Room Temp.

Provide Web-Based BAC Net Control System Software; Global Controller with MSTP Trunk; and point and click Windows Graphical Controls. Controls Software shall be loaded on Owner-Provided PC.

Provide e-mails and maintenance cell phone test messages for critical Mechanical Control Alarms.

Start-up, checkout, and owner training.

We have included Electrical work for Boiler, including Kill Switches.

Includes: Raceways, Sensors, Relays, & Actuators as required; All Motor Starters; Installation & Wiring of Controls.

We have also included necessary Mechanical Engineering as required by the state of Montana.

State Mechanical Permit included.

EXCLUSION:

Asbestos Abatement

We propose hereby to furnish material and labor – complete in accordance with above specifications, for the sum of:

One Hundred Thirty Seven Thousand Six Hundred Sixty Dollars and 00 cents (\$137,660.00)

NOT INCLUDED IN THIS EMERGENCY FUND REQUEST, BUT DEFINITELY NEEDED:

Remove & replace existing Steam Valves on all Radiators, Convectors, & Unit Heaters. Each valve to be replaced with Thermostatic Steam Valve & Thermostat. Building needs a new Ventilation System for proper Air Flow to the Classrooms. Also needs the completion of the Alerton Digital Control System for optimum energy efficiency. We also highly recommend that all the Steam Mains be removed & replaced & reinsulated.

All material is guaranteed to be as specified. All work to be completed in a workman like manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Payment to be made as follows: Monthly Progress Billing

Authorized Signature: 
James R. Regan / Secretary-Treasurer

NOTE: This proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL: The aforementioned prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified.

Payment will be made as outlined above.

Date of Acceptance: _____

Signature: _____

Signature: _____



CONTRACT

406-723-7885 - 1-877-723-7885 Toll Free - 406-723-7886 Fax
 info@ingrahamenvironmental.com - www.ingrahamenvironmental.com

Contracted Party:
Miles City Unified School District 1604 Main Street Miles City, MT 59301-3650

Date	Respond By	Estimate #
1/24/2013	30 Days from Estimate Date	E-7828
Project		
13018 ACM Lincoln Elementary		

Description	Cost	Qty	Total
Basement RACM - ACM TSI/Thermal System Insulation - Remove ACM Pipe Wrap in 22 Locations (80 LF Pipe Insulation) on first and second floor to facilitate upgrade to steam line. Remove and prepare for disposal asbestos containing TSI products. ***School must move all items either from the room or to side of the room away from the work area in each location***	2,900.00		2,900.00
Montana Department of Environmental Quality Asbestos Control Program Permit. Renovation - 10% of Regulated Abatement	10.00%		290.00
OSHA Required Containment Supplies & Assembly	6,500.00		6,500.00
PCM Method Post Abatement Air Clearances performed by an independent third party to verify abatement performance. Two Sets Required. THIS SERVICE WILL BE BILLED BY A THIRD PARTY Provided by Y Environmental	1,250.00	2	2,500.00
PROJECT (CONTRACT) TOTAL			12,190.00
Individuals performing asbestos related abatement, inspections and project designs are accredited by the State of Montana to perform these tasks.			0.00
Ingraham Environmental is a State of Montana registered contractor. Liability insurance & workers compensation insured and a Montana Registered Contractor Certificates available upon request.			0.00

Ingraham Environmental's TIN: 81-0475591

Contract Total

All invoices exceeding \$5,000 are not subject to credit card payment without prior arrangements

This agreement was made and entered into by and between Ingraham Environmental, Inc., P.O. Box 545, of Butte, MT 59703-0545 and the above "Contracted Party." By affixation of signature, Ingraham Environmental, Inc agrees to furnish and perform all work including supervision, materials, labor, supplies and equipment as described above, in the "Description." By affixation of signature the "Contracted Party" agrees to compensate Ingraham Environmental, Inc., the entire value of the contract for the full, complete and faithful performance of this contract. Standard payment terms are Net 30 days, unless prior arrangements are made. Any balances over 30 days maybe subject to a 1.25% per month finance charge. Please sign and return to our offices to schedule the project. Thank you.

Contracted Party Signature: _____ Date: _____



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Miles City Unified School District 1604 Main Street Miles City, MT 59301-3650

Date	Respond By	Estimate #
1/24/2013	30 Days from Estimate Date	E-7828
Project		
13018 ACM Lincoln Elementary		

Description	Cost	Qty	Total
Waste materials will be disposed of according to state and federal regulations in an approved landfill.			0.00
Owner will provide sufficient electrical connections at the job site. Please contact Ingraham Environmental to determine the needs for this project. If sufficient electrical connections are not available at job site & prior arrangement have not been made there will be an additional charge up to \$700.00 provide service.			0.00
Owner will provide sufficient water and sewer connections at the job site. Please contact Ingraham Environmental to determine the needs for this project. If sufficient water and sewer connections are not available at job site & prior arrangement have not been made there will be an additional charge up to \$700.00 provide service.			0.00
Bid does not include replacement costs of abated materials.			0.00
Contract cancelation must have at least three business day notice to avoid mobilization and restocking charges of 25% contract. \$500 charge for all projects cancelled 3-14 business days prior to start date.			0.00
Scheduling is on a first come first serve basis. Dates are contingent on acceptance and return of signed contract. Please contact Ingraham Environmental to obtain available dates.			0.00
Owner or agent will be responsible for removal of any non-stationary equipment or other items from abatement area before work can begin. If Ingraham Environmental is responsible for removal of non-stationary items from abatement area there will be an additional charge of up to \$750.00.			0.00

Ingraham Environmental's TIN: 81-0475591

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Contracted Party Signature: _____ Date: _____



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 info@ingrahamenvironmental.com - www.ingrahamenvironmental.com

Contracted Party:
Miles City Unified School District 1604 Main Street Miles City, MT 59301-3650

Date	Respond By	Estimate #
1/24/2013	30 Days from Estimate Date	E-7828
Project		
13018 ACM Lincoln Elementary		

Description	Cost	Qty	Total
IEI makes every attempt to avoid cosmetic damage. However, we cannot be held responsible for damages that occur to paint and floor, etc. from normal abatement procedures.			0.00
All Attorney fees associated with this project, or the contestation of this project, are the responsibility of the contract holder if such actions are taken on behalf of the contract holder without merit against Ingraham Environmental Inc.			0.00
This estimate is based on State Standard Wage Rate. Should this Project require special wage considerations, certified payrolls, or other special handling, please contact our offices to determine how it will impact the cost of the work proposed.			0.00
By acceptance of this contract, the owner/contract holder stipulate that all air monitoring, clearances, inspections or other hygiene work records relating to this project be provided to IEI within 30 days of completion. acceptance of this contract shall serve as an owner's records release agreement, and upon presentation to the inspector/hygienist will allow for said party to release applicable records. Failure to provide these records in a timely (<60 days) may result in a charge up to \$500.00 and filing of any applicable liens with the state of Montana.			0.00
For questions or concerns, please call 406-723-7885 or toll free 877-723-7885. We will be happy to assist you. Please return this contract proposal by mail e-mail or fax to schedule.			0.00

Ingraham Environmental's TIN: 81-0475591

Contract Total

\$12,190.00

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Contracted Party Signature: _____ Date: _____